

Chapter 7: Funding Strategy for Plan Implementation

Prepared by Evergreen Funding Consultants in consultation with the WRIA 8 staff work group on contract to the WRIA 8 Watershed Forum.

Introduction

The purpose of this chapter is to identify strategies for raising the funds needed to implement the habitat projects, other capital needs, and administrative and management responsibilities identified in the WRIA 8 salmon recovery plan.

The chapter begins with an analysis of existing funding sources used for salmon recovery activities in WRIA 8, with an emphasis on capital sources. A total of \$11-13 million per year in local, state, and federal funding is identified by funding source and amount. The majority is raised from sources – WRIA 8 jurisdictions and regional assessments – within King County –. For the purposes of this chapter, those sources collected and distributed at a countywide or WRIA level are “regional” sources. The section on current funding concludes with challenges at the federal, state, and local level that need to be addressed in order to maintain current funding levels.

Following the analysis of existing funding, a section describes the interests and concerns expressed by the WRIA 8 Steering Committee in the development of this chapter. Based on their comments, three options for continued funding are described, the first based on continuation of funding at status quo levels and the others based on a thirty percent and fifty percent increase in funding.

The chapter concludes with a discussion of procedures to adopt and implement the funding strategy and recommendations for short-term actions. Regardless of which option the WRIA 8 Forum selects and adopts, there are significant challenges associated with future funding of salmon recovery that the governments and stakeholders need to address as soon as possible.

An appendix is included that evaluates options for regional funding for salmon projects and programs. The WRIA 8 partners already make use of several regional funding sources – the King Conservation District assessment, the Conservation Futures Tax, and others – and this analysis looks at the range of opportunities for regional funding in the future.

Current funding for salmon recovery in WRIA 8

At the present time, funding for capital salmon recovery projects is provided principally from local and regional sources that comprise 71% of total funding, with the remainder from federal (19%) and state (10%) sources.

Most local/regional funding is being raised from utility revenues in King County, Seattle, Bellevue, and suburban cities as well as regional conservation taxes and fees (Conservation Futures Tax, King Conservation District assessment). Current expense and other local sources are used less frequently. Principal state and federal sources include the Salmon Recovery Funding Board (state and federal), Army Corps of Engineers ecosystem restoration programs (federal), Section Six funding through the US Fish and Wildlife Service (federal), Aquatic Lands Enhancement Account funding (state), and Washington Wildlife and Recreation Program funding (state).

Following is a more detailed description of local, federal, and state sources that fund salmon recovery activities in WRIA 8.

Local Government Funding

Source and Type of Funding	Yearly Amount	Description
<i>Local government public works and capital projects</i> <i>Type: Capital</i>	\$4-6 million	Jurisdictions in King and Snohomish Counties use surface water and other utility fees from their capital budgets to undertake projects such as fish passage, riparian restoration, instream and off-channel improvements, and estuary and nearshore restoration. The largest share comes from King County, Seattle, Bellevue, and Renton. Note: not all of this salmon funding goes to priorities identified in the WRIA 8 plan._
<i>King County Conservation Futures</i> <i>Type: Capital</i>	Approximately \$2.5 million	This countywide property tax for conservation futures awards \$8-10 million yearly for open space conservation grants. For the past few years, \$2.5 million have gone to salmon-related projects in WRIA 8, including Cedar River Legacy funds.
<i>King Conservation District</i> <i>Type: Capital</i>	\$630,000	The Conservation District apportions funds to WRIA 8 from King County parcel taxes. This money funds restoration projects, studies, and stewardship/education.
<i>WRIA 8 Interlocal Agreement</i> <i>Type: Operating</i>	\$400-500,000	WRIA 8 jurisdictions contribute funds through an interlocal agreement (ILA) to fund watershed planning for salmon conservation.
<i>Locally-funded grant programs</i> <i>Type: Capital</i>	\$100-200,000	Several grant programs such as King County's Community Salmon Fund partnership and WaterWorks program fund smaller salmon habitat projects in WRIA 8. These are mainly funded with rural drainage fees. Note: these grants may not actually fund priorities identified in the WRIA 8 plan.

<p><i>Local Operating funds for ongoing watershed activities</i></p> <p><i>Type: Operating</i></p>	<p><i>See description</i></p>	<p>Local jurisdictions use general expense funds for staff for ongoing needs: research and monitoring (e.g., normative flows and coho pre-spawn mortality studies, ongoing water quality and fish monitoring), outreach and education (e.g., outreach publications, basin and watershed stewards, volunteer coordination), regulation and permitting, and planning. This is easily over \$1 million per year across all jurisdictions, but is difficult to pin down exactly: it represents possibly dozens of FTEs, but few of the staff are narrowly WRIA- or salmon-focused.</p>
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Federal Funding

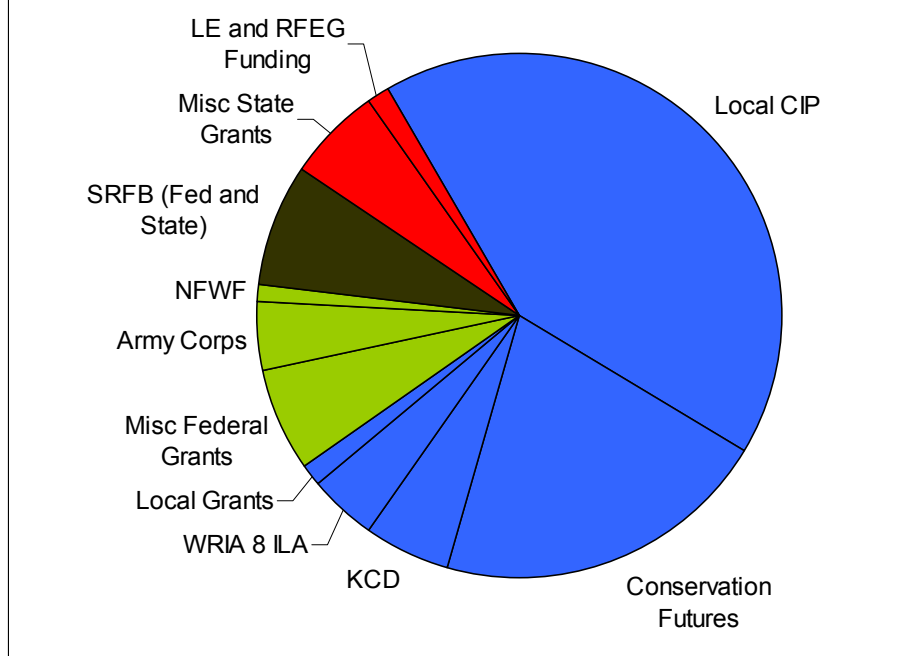
Source	Yearly Amount	Description
<p><i>Salmon Recovery Funding Board (SRFB)</i></p> <p><i>Type: Capital</i></p>	<p>\$500,000</p>	<p>The SRFB provides \$500k to \$1M yearly for habitat restoration and acquisition projects in WRIA 8. Approximately 2/3 of SRFB funds are from federal sources, 1/3 from state sources.</p>
<p><i>Other federal grant and incentive programs</i></p> <p><i>Type: Capital</i></p>	<p>Several hundred thousand to over \$1 million</p>	<p>North American Wetlands Conservation Act grants (NAWCA), Cooperative Endangered Species Conservation Fund, Conservation Reserve Enhancement Program, etc. occasionally fund projects in the WRIA, but program funders do not allocate dollars strategically to WRIA 8 priorities. This figure does not include federal Forest Legacy dollars in WRIA 8, which is a significant and reliable sum but is focused on headwaters areas (in federal forests only, and therefore not in WRIA 8?) rather than WRIA mainstem priorities.</p>
<p><i>U.S. Army Corps of Engineers</i></p> <p><i>Type: Operating and Capital</i></p>	<p>\$300-500,000</p>	<p>The Corps provides study funding for the Lake Washington General Investigation and project funding through ecosystem restoration continuation authorities (the 206 and 1135 programs).</p>
<p><i>National Fish and Wildlife Foundation</i></p> <p><i>Type: Capital</i></p>	<p>\$100-200,000</p>	<p>This federally-funded nonprofit awards small grants for habitat restoration in the WRIA through the King County Community Salmon Fund and Washington Salmon grant programs.</p>
<p><i>Technical assistance and monitoring from federal agencies</i></p> <p><i>Type: Operating</i></p>	<p><i>See description</i></p>	<p>National Marine Fisheries Service, U.S. Fish and Wildlife Service, U.S. Geological Survey, and Army Corps of Engineers provide some level of technical assistance for salmon recovery in WRIA 8. The total value of technical assistance and monitoring is difficult to quantify.</p>

State Funding

Source	Yearly Amount	Description
<i>Salmon Recovery Funding Board</i> <i>Type: Capital</i>	~\$250k	The SRFB provides \$500k to \$1M yearly for habitat restoration and acquisition projects in WRIA 8. Approximately 2/3 of SRFB funds are from federal sources, 1/3 from state sources.
<i>Other state grant programs</i> <i>Type: Operating and Capital</i>	~\$500,000-\$1 million	Washington's Aquatic Lands Enhancement Account (ALEA), Washington Wildlife and Recreation Program (WWRP), Public Involvement and Education fund, and the Centennial Clean Water Fund (CCWF) all fund occasional projects in WRIA 8, but these are not always for WRIA priorities.
<i>Lead Entity and RFEG funding</i> <i>Type: Operating</i>	~\$150k	State agencies provide \$60,000 for the WRIA 8 lead entity and \$100k in funding for the Mid-Sound Salmon Enhancement Group.
<i>Hatchery retrofits</i> <i>Type: Capital</i>	<i>See description</i>	Occasional funding for hatchery repairs and upgrades. In the last biennium, for example, the state spent several million on the Issaquah hatchery.
<i>Technical assistance and monitoring from state agencies</i> <i>Type: Operating</i>	<i>See description</i>	The Department of Ecology and Department of Fish and Wildlife fund technical assistance, monitoring, and watershed stewards across the state, and some of this staffing is focused in the WRIA 8 region. The total dollar value of technical assistance and monitoring is difficult to quantify.

Fig 10.1 illustrates the major sources of local, federal, and state funding for salmon recovery in WRIA 8, a total of about \$11-13 million that covers capital and operating expenses. The chart does not include funding for staffing and technical assistance at the local, state, or federal levels provided through general or current expense funds. This sum is likely to be substantial but is difficult to quantify. The chart also does not include state hatchery funding.

Fig 10.1: Funding sources in WRIA 8



Political challenges to funding sources in WRIA 8

Jurisdictions in WRIA 8 have successfully funded a wide range of salmon recovery activities through federal, state, and local funding sources. However, many of the best funding sources available are subject to shifting political priorities that could jeopardize long-term funding.

State funding: In the state legislature, the 2005-07 budget process that is already in early planning stages will be pivotal. The Salmon Recovery Funding Board took a 57% cut in the 2003-05 budget. While there were glimmers of hope in the 2004 supplemental budget – a damaging restriction on land acquisition was eliminated and further cuts avoided – the politics of salmon funding remain unsettled and further cuts are quite possible.

Federal funding: At the moment, the federal share of funding for salmon recovery in Puget Sound is coming through the Pacific Coastal Salmon Recovery Fund, a five-state program that is authorized and appropriated on an annual basis from NOAA funding. It is an unusually large program to be funded in this way and owes its life to the presence of several northwest members on key appropriations committees (particularly to Alaska Senator Ted Stevens, chair of senate appropriations). This is a tenuous foothold in the federal budget. Funding for restoration projects from the Corps is even more difficult to ensure as it lacks the level of political support held by the Pacific Salmon program and must compete head-to-head with navigation and flood control projects, more traditional funding priorities for local congressmen.

Local/regional funding: Current regional sources such as the King Conservation District assessment and the Conservation Futures Tax have played a very important role in building the cohesiveness of the WRIA 8 partnership in three ways:

- By using the science developed in the WRIA 8 process to justify project selection;
- By using WRIA 8 staff and committees to select projects;
- By funding some projects without regard for the host jurisdiction's ability to provide matching funds.

However, the CFT, KCD, and regional grant sources were all established to fund broader missions and their recent emphasis on salmon projects may be fleeting as other pent-up needs surface and win political support.

Assumptions Regarding Future Funding

The costs of the capital and non-capital actions in the WRIA 8 recovery plan have yet to be calculated and the actions are not yet prioritized. Without this information, it would be premature to speculate on specific funding needs. However, general assumptions regarding the overall level, sources and timing of funding can be made as part of a preliminary conservation plan funding strategy. The following assumptions and recommendations have been tailored to follow discussions and feedback from the WRIA 8 Steering Committee

Funding level

The WRIA 8 Steering Committee recommended that the funding of salmon recovery actions continue at or above current funding levels. As discussed above, current funding is estimated at \$7-9 million per year from local and regional sources and an additional \$3-4 million in state and federal sources.

This chapter presents a range of funding strategies, considering both: (a) the potential need for a substantial increase in funding to quicken the pace of plan implementation, and (b) the fact that estimating funding levels may be premature as the number and benefits of the projects and programs that could be funded at each level are unknown at this time.

Funding sources

A preponderance of current funding is raised from local sources. The Steering Committee emphasized two priorities related to the sources of funding: protect the sources that are currently used for salmon recovery and increase the state and federal contribution of funding. The distribution of funding responsibility between local and regional sources was also discussed.

With regard to the continuation of existing local and regional funding, the Steering Committee expressed concerns about the vulnerability of existing regional sources. The most commonly used regional sources for capital projects are the Conservation Futures Tax and the King Conservation District assessment. The CFT is a regular property tax levy and would be subject to a 25% rollback if proposed Initiative 864 is enacted. The KCD is a so-called "junior" levy, subject to the availability of funds after "senior" city, county, road district, and port levies are deducted from the statutory limit on

total property tax levies. As a consequence, the conservation district tax could get reduced or eliminated by increases in senior levies in some or all of the jurisdictions in which it is currently collected. In addition, the KCD levy is scheduled to sunset in 2005, so some effort will be required to renew the levy or find an appropriate regional substitute.

With regard to the role of these or other regional sources in the fundraising strategy, the committee expressed support for an approach that allowed the allocation of regional funding to regional projects regardless of their location. Members also acknowledged that some jurisdictions, particularly the smaller cities and unincorporated King County, may have difficulty paying for capital projects in their areas. The committee did not discuss in detail whether to accomplish regional projects by reallocating funds collected in individual jurisdictions (such as surface water management or current expense funds) or through the use of regional sources such as the conservation futures tax.

Regarding state and federal funding, the Steering Committee expressed strong support for increasing the level and sustainability of these funding sources. The committee expressed particular interest in increasing WRIA competitiveness for state and federal grants and Corps of Engineers cost-sharing programs.

Timing

The Steering Committee is highly supportive of a constant level of funding for the initial implementation phase (perhaps ten years), as contrasted with a strategy that provides more funding early in the implementation process (front-loading). Members expressed particular interest in the dependability of a constant stream of funding, although some acknowledged the difficulties of predicting the funding decisions of future legislative bodies. It was also suggested that there be some bonding capacity built into the constant-stream strategy to address immediate needs, but that this be accommodated with a minor share of the total annual funding.

Other Assumptions

Interest in use of atypical funding sources

While the Steering Committee discussion focused principally on the sources and levels of funding in current use for salmon recovery activities, several members expressed interest in broadening the analysis to include new and largely untried funding sources. One oft-cited example is the redirection of mitigation funds to high priority salmon projects through a “trading” or “banking” scenario.

While this idea was not explored at length at the April 28th Steering Committee meeting, it is anticipated that the committee would be very receptive to new fundraising options that reduce the demand on existing sources and/or substantially increase funding for salmon recovery activities.

Likely responsibilities for local jurisdictions

An important part of the funding strategy for WRIA 8 will be to determine who is responsible for funding each type of activity. The key factors in establishing funding responsibilities will be the level and dependability of funding required for the activity, the appeal of the activity to an array of potential funders, and the consequences of falling short on funding goals.

Non-capital costs are likely to prove particularly challenging to fund at the state and federal level. They are associated with activities that the Steering Committee views as essential to the success of the Plan but do not offer the visual impact of a “ribbon cutting” event upon completion. These include monitoring and reporting, communicating progress, supporting collaboration among implementers, and similar activities. Even with this support the cost of these activities will get great scrutiny to ensure a good fit within the overall Plan implementation budget. They will likely require a high level of year-to-year dependability. These costs are poor candidates for state and federal grants. They are, however, particularly well-suited to the more dependable streams through dedicated local government sources.

It may be sensible to think about what local governments shouldn't fund in addition to what they should. Big-ticket acquisition and restoration projects tend to fare well in grant processes and are probably less appropriate for local sources, despite the obvious political appeal of funding them. While this is a good topic for debate, the important issue is that WRIA 8 decision-makers carefully consider issues of source dependability, political appeal, and consequence in devising funding responsibilities.

Funding options

Based on the interests expressed by the Steering Committee members and research on funding alternatives, three options have been identified for further consideration. While organized principally by level of funding, the options also differ in the sources used and the efforts to secure these sources.

Option one: base level

Characteristics: The focus of funding in this option is to maintain funding at current levels, although not necessarily with the current mix of sources. This option will appeal to those who feel that current levels of funding are either sufficient to meet needs or challenging enough to maintain into the future.

Proposed funding sources and amounts:

Federal (assumed at \$2-3 million/yr, 18% of total):

- Pacific Coastal Salmon Recovery Fund at \$500K/yr
- Corps of Engineers 1135/206 funding at \$500K/yr
- Misc. federal grants at \$1 million/yr

State: (assumed at \$1-1.5 million/yr, 9% of total):

- State share of SRFB funding at \$250K/yr

- Misc. state grants at \$750K/yr

Local/regional (assumed at \$7-9 million/yr, 73% of total):

- King Conservation District at \$630K/yr
- Conservation Futures Tax at \$2.5 million/yr
- Misc. regional grants at \$200K/yr
- Local surface water/drainage and other utility fees and charges at \$4.5 million/yr
- Local current expense funds at \$500K/yr

Total funding level: \$10-13 million/yr

Alternatives on funding sources:

- Substitute increased Corps of Engineers funding (via Lake Washington/Ship Canal GI and/or Nearshore projects) for other federal or non-federal sources;
- Substitute a new regional source (watershed restoration district?) for existing regional sources (KCD/CFT/grants mix);
- Substitute a new or increased regional source for local funding.
- Reprioritize existing local spending to fund the highest priority projects and actions identified in the plan.

Challenges with execution:

Federal

- Maintaining Pacific Coastal Salmon funding in the face of some congressional opposition and widespread fatigue.

State

- Maintaining and increasing state funding to the SRFB given the thin support in the legislature.
- Maintaining the strong competitive position of salmon projects in state grant programs.
- Overcoming perception that restoration in urban/urbanizing watersheds is not cost-effective or necessary

Local/Regional

- Maintaining the competitive edge for salmon projects in regional grant programs, particularly CFT and KCD.
- Reauthorizing KCD funding for at least five years.
- Investigating more sustainable programs for raising regional funding.
- Crafting regional agreements for the raising and distribution of regional funding.
- Ensuring long-term political support for funding commitments among the legislative bodies of the WRIA 8 jurisdictions.

Strategies for fundraising:

Initiate an active federal and state lobbying effort.

- Develop a lobbying strategy coordinated with/among WRIA 8 governments/interests, Shared Strategy, Tri-County, and other WRIsAs and communicate it to contract lobbyists.

- Involve state and federal elected officials in ribbon cuttings and other promotional activities.
- Track the budget processes in Olympia and DC and be ready to intervene when necessary.

Join with regional partners to evaluate options and select a mechanism to raise money among WRIA 8 jurisdictions.

- Evaluate options for interjurisdictional financing within WRIA 8 or King County.
- If necessary, seek legislative authority for a new local option restoration authority.
- If necessary to initiate the authority, coordinate a regional campaign for a voter-approved regional funding mechanism.
- Reauthorize the King Conservation District assessment to ensure continuity in implementing the WRIA plan.

Improve the dependability of local funding sources.

- Evaluate the use of bonding to ensure a long-term funding stream for part of the funding needed for the recovery plan.
- Investigate ways to increase funding for salmon activities through city and county utility fees.

Develop coordinated WRIA-wide grantwriting and fundraising capacity.

- Identify existing staff and other resources that can assist with grantwriting and other fundraising activities.
- Develop a coordinated list of grantwriting and fundraising priorities.
- Get training and technical assistance as needed to focus and improve the success of fundraising initiatives.

Promote funding successes.

- Develop and implement a media campaign to ensure broad communications about fundraising and program successes.
- Construct and evaluate success towards short-term goals for habitat restoration.

Option two: base level plus 30%

Characteristics: The focus of this option is to ensure sufficient funding for a substantial increase in capacity to implement the recovery plan. Existing funding sources are used to their capacity and supplemented through a more ambitious effort to raise state and federal funding and a new regional funding source. This option will be appealing to those who feel that a more ambitious schedule for implementing the plan is desirable.

Note: Sources beyond those described for base level funding are identified in bold type.

Proposed funding sources and amounts:

Federal (assumed at \$3-3.5 million/yr, 20% of total):

- Pacific Coastal Salmon Recovery Fund at \$500K/yr
- **New or Increased Source:** Corps of Engineers 1135/206 funding at \$1.5 million/yr (significant increase from current levels)
- Misc. federal grants at \$1 million/yr

State: (assumed at \$1-1.5 million/yr, 7% of total):

- State share of SRFB funding at \$250K/yr
- Misc. state grants at \$750K/yr

Local/regional (assumed at \$10-12 million/yr, 73% of total):

- King Conservation District at \$630K/yr
- Conservation Futures Tax at \$2.5 million/yr
- Misc. regional grants at \$200K/yr
- **New or Increased Source:** New regional source or sources at \$2.5 million/yr (*new source*)
- Local surface water/drainage and other utility fees and charges at \$4.5 million/yr
- Local current expense funds at \$500K/yr

Total funding level: \$13-17 million/yr

Alternatives on funding sources:

- Substitute an even greater Corps of Engineers funding element (via Lake Washington/Ship Canal GI and/or Nearshore projects) for some local/regional funding;
- Substitute greater local government funding for the new regional source or sources;
- Substitute an increase in the new regional source or sources for current sources of local and regional funding (especially local fees and CFT).

Challenges with execution:

Federal

- Completing Corps studies and developing sustainable construction funding through Corps budgets.
- Improving the speed and ease of implementation of Corps-constructed projects
- Maintaining Pacific Coastal Salmon funding in the face of some congressional opposition and widespread fatigue (*as in base*)

State

- Maintaining and increasing state funding to the SRFB given the thin support in the legislature. (*as in base*)
- Maintaining the strong competitive position of salmon projects in state grant programs. (*as in base*)
- Overcoming perception that restoration in urban/urbanizing watersheds is not cost-effective or necessary (*as in base*)

Local/Regional

- Securing substantial increases in local tax and fee-supported funding sources.
- Developing equitable and efficient mechanisms to allocate locally raised funding to watershed priorities.
- Maintaining the competitive edge for salmon projects in regional grant programs, particularly CFT and KCD. (*as in base*)
- Reauthorizing KCD funding for at least five years. (*as in base*)

- Investigating more sustainable programs for raising regional funding. (*as in base*)

Strategies for fundraising:

As with the base option, except:

Strengthen the federal lobbying effort on Corps of Engineers appropriations.

- Develop a coordinated lobbying strategy among Corps program proponents in the Puget Sound.
- Direct existing or new lobbying services to support of Corps funding.
- Involve federal elected officials and Corps management in ribbon cuttings and other promotional activities.

Resolve issues in the implementation of Corps cost-shared projects.

- Identify and seek resolution to issues with cost-sharing documents (especially project construction agreements).
- Continue seeking opportunities to streamline Corps processes and accelerate funding.

Evaluate, select, and implement a new regional source or sources to raise funding for salmon restoration.

- Evaluate local option funding sources available under current state authority and for which new authority would be needed.
- Convene WRIA leaders (from multiple WRIs as needed) to select a preferred alternative for the new authority and address issues related to the collection and distribution of funding.
- Pursue the state and local legislative actions needed to implement the new source or sources.

Option three: base level plus 50%

Characteristics: The focus of this option is to provide funding to allow a very significant increase in the capacity to implement the recovery plan across a wide range of capital and non-capital actions. Funding needs in this scenario greatly exceed the capabilities of existing and augmented sources and new and somewhat experimental sources must be evaluated as potential additions. This option will appeal to the most ardent supporters of salmon recovery. **Note: Sources beyond those described for base level funding are identified in bold type.**

Proposed funding sources and amounts:

Federal (assumed at \$4-4.5 million/yr, 23% of total):

- Pacific Coastal Salmon Recovery Fund at \$500K/yr
- **New or Increased Source:** Corps of Engineers 1135/206 funding at \$2.0 million/yr (*significant increase from current levels*)
- **New or Increased Source:** Misc. federal grants at \$1.5 million/yr (*significant increase from base level and option two*)

State: (assumed at \$1.5-2 million/yr, 8% of total):

- State share of SRFB funding at \$250K/yr

- **New or Increased Source:** Misc. state grants at \$1.2M/yr (*significant increase from base level and option two*)

Local/regional (assumed at \$11-13 million/yr, 69% of total):

- King Conservation District at \$630K/yr
- Conservation Futures Tax at \$2.5 million/yr
- Misc. regional grants at \$200K/yr
- **New or Increased Source:** New regional source or sources at \$3.5 million/yr (*new source at higher level than option two*)
- Local surface water/drainage and other utility fees and charges at \$4.5 million/yr
- Local current expense funds at \$500K/yr

Total funding level: \$15-19 million/yr

Alternatives on funding sources:

- Substitute an increase in the new regional source for existing local or regional funding.

Challenges with execution:

Federal

- Becoming more aggressive and adept at securing federal grants.
- Becoming more effective at securing Corps construction funding through General Investigations and Continuing Authority programs.
- Completing Corps studies and developing sustainable construction funding through Corps budgets (*as in option two*).
- Ironing out issues in the implementation of Corps-constructed projects (*as in option two*).
- Maintaining Pacific Coastal Salmon funding in the face of some congressional opposition and widespread fatigue (*as in base*).

State

- Becoming more aggressive and adept at securing state grants.
- Maintaining and increasing state funding to the SRFB given the thin support in the legislature. (*as in base*)
- Maintaining the strong competitive position of salmon projects in state grant programs. (*as in base*)
- Overcoming perception that restoration in urban/urbanizing watersheds is not cost-effective or necessary. (*as in base*)

Local/Regional

- Securing substantial increases in local tax and fee-supported funding sources. (*as in option two but more so*)
- Developing equitable and efficient mechanisms to allocate locally raised funding to watershed priorities. (*as in option two*)
- Maintaining the competitive edge for salmon projects in regional grant programs, particularly CFT and KCD. (*as in base*)
- Reauthorizing KCD funding for at least five years. (*as in base*)

- Investigating more sustainable programs for raising regional funding. (*as in base*)

Strategies for fundraising:

As with the option two, except:

When evaluating and selecting a new regional source or sources, emphasize those that can provide the enhanced funding level identified in this option (*see appendix on "Options for Regional Fundraising in WRIA 8"*).

Develop a much more active and effective program to raise funding from federal and state grant programs.

- Hire or secure the consulting services of a fundraiser/grantwriter.
- Develop procedures for prioritizing grant requests among WRIA partners.
- Conduct focused research on prior awards and the objectives and preferences of funders.
- Develop and submit at least ten grant applications annually.

Summary table

The following table summarizes the three options for funding and compares funding levels by source for each. New or increased funding amounts are highlighted in bold type.

Source	Option Base		Base + 30%		Base + 50%	
Pacific Coastal Salmon	\$500,000		\$500,000		\$500,000	
Corps of Engineers	\$500,000		\$1,500,000		\$2,000,000	
Federal Grants	\$1,000,000		\$1,000,000		\$1,500,000	
TOTAL FEDERAL	\$2,000,000	17.7%	\$3,000,000	20.2%	\$4,000,000	23.2%
SRFB	\$250,000		\$250,000		\$250,000	
State Grants	\$750,000		\$750,000		\$1,200,000	
TOTAL STATE	\$1,000,000	8.8%	\$1,000,000	6.7%	\$1,450,000	8.4%
King Conservation						
District	\$630,000		\$630,000		\$630,000	
Conservation Futures	\$2,500,000		\$2,500,000		\$2,500,000	
Regional Grants	\$200,000		\$200,000		\$200,000	
New Regional Sources	\$0		\$2,500,000		\$3,500,000	
Local SWM and Other						
Utility Fees	\$4,500,000		\$4,500,000		\$4,500,000	
Local Current Expense	\$500,000		\$500,000		\$500,000	
TOTAL						
LOCAL/REGIONAL	\$8,330,000	73.5%	\$10,830,000	73.0%	\$11,830,000	68.5%
GRAND TOTAL	\$11,330,000		\$14,830,000		\$17,280,000	

Options considered but not fully developed

The following options were considered but did not seem promising enough to warrant further consideration.

Funding at substantially less than the current base level: This alternative, while attractive in terms of fundraising, would be inconsistent with the direction of the Steering Committee to maintain the level of recovery activity at no less than the status quo.

Funding at greater than 50% more than current levels: While this option would be attractive to those wanting a more ambitious scope or pace to the recovery program, the level of funding and diversity of funding sources needed to sustain fundraising at this level appear to be infeasible in the current political and economic climate.

Proposed steps for refining, adopting, and implementing the strategy

The conservation plan funding strategy could involve distinct short-term and long-term steps for refining, adopting and implementing the strategy. Proposed steps are described below.

Note: The scope of efforts to develop, refine, and adopt the funding strategy over the next year will depend largely on the availability of staff and resources. The staff and resources necessary to implement the following steps have not been specifically allocated to this work at the time of writing.

Refining and adopting the strategy (July 2004-April 2005)

Integrate and prioritize actions by importance and timing (*process TBD after June 2004 Draft complete; complete by October 2004*)

Estimate the costs of capital and non-capital funding actions identified in the recovery plan (*By October 2004*)

Select the funding option and strategy that meets program needs (*By November 2004*)

Develop conceptual cost-sharing, financing, and other agreements to share the costs of the priority actions (*roles, responsibilities, timing determined by November 2004*)

Define a conceptual management framework for raising and spending funds (*roles, responsibilities, timing to be mapped out by November 2004*)

Ensure WRIA 8 strategy options are coordinated with other regional funding discussion forums – Shared Strategy, Tri-County Coalition, State Salmon Funding Coalition [*defunct?*] (*September 2004-April 2005*)

- Collaborate within WRIA 8 and externally with other regional salmon conservation processes to protect existing, vulnerable state, federal, and regional sources of salmon funding
- Pursue new state authority for a regional funding mechanism if necessary
- Consider lobbying needs associated with 2005/2007 state budget. *(Note: any lobbying during this timeframe would proceed without a ratified plan)*

Implementing the strategy (beyond June 2005) *(The timing for implementation discussion in this section will need to be consistent with any Steering Committee timeline decisions on May 27)*

Securing commitments from the legislative bodies of local governments to pursue funding for the relevant actions after plan adoption: *(June-December 2005)*

- If strategy includes centralized management of funds, pursue fast track agreement such as ILA within 3 months after ratification
- If decentralized, pursue through local ratification processes

Carrying out commitments within funding strategy:

- Each party to the WRIA 8 conservation plan funding strategy carries out local commitments detailed in adopted management framework
- Targeted WRIA 8 negotiation with state and federal agencies (such as US Army Corps), management of lobbying contracts, regional coordination...*(as applicable – link to chosen option above)*
- Jointly fund some staff capacity to support state and federal funding

Tracking and reporting on funding progress:

- Implementation monitoring
- Include progress information in WRIA Annual Report, use to inform local budget processes, grant funding cycles, etc. Elements of progress information:
 - Total funds raised
 - Total funds spent (by action type)
- Major assessment of progress at Year 3, Year 5 and Year 10 (plan horizon) – expect increasing amount/quality of technical information to be available. Elements of progress information:
 - Total funds raised
 - Total funds spent (by action type)
 - Draw link to (cumulative) technical habitat and population measures

Summary of recommendations

The salmon recovery strategy in WRIA 8 is at a critical transition as it moves from the multi-year planning process into implementation, and the success of this transition will depend largely on the availability of funding to accomplish the immediate priorities of the plan. Three items need particular attention in order to ensure a smooth transition into implementation:

- Ensuring continuation of existing funding sources

- Evaluating new options for funding local responsibilities
- Evaluating cost-effectiveness of high-priority actions

Continuation of existing sources

All three of the options addressed in this chapter rely heavily on the continuation of existing funding sources at current or greater levels. This is unlikely to happen without purposeful action by local governments - every level of government is facing cutbacks in spending and funding for the environment is especially vulnerable. It is far easier to prevent cuts than battle to restore funding or enact brand new funding sources in local, state, and federal budget processes. The top priority for the WRIA 8 fundraising strategy in the next year should be to protect vulnerable state, federal, and regional sources of salmon funding.

The elected members of the WRIA 8 Steering Committee and Forum represent some of the most politically powerful jurisdictions in the region and it will be necessary to apply this power in support of current funding sources. This may take several forms: individual jurisdictions lobbying the legislature and congress independently, jurisdictions working through a WRIA-level partnership for lobbying, or WRIA participation in regional or statewide alliances of salmon advocates to support lobbying initiatives. While there is some level of coordination among WRIA 8 interests through existing alliances such as the Tri-County Coalition and the Coalition for Salmon Funding, it is likely that more formal arrangements will be needed to ensure a dependable stream of federal and state funding for implementation of the WRIA 8 plan.

Specific actions supporting continuation of existing sources may include:

- Identifying priorities for state and federal funding beginning with the 2005-07 biennial state budget and the FY 2006 federal budget;
- Evaluating the priorities of regional and statewide lobbying coalitions and determining areas and initiatives of common interest;
- Developing the staffing capacity to support the establishment and implementation of lobbying priorities.

New options for funding local responsibilities

Current interlocal or regional sources such as the King Conservation District assessment and the Conservation Futures Tax have played a very important role in building the collaborative foundation for salmon plan implementation in WRIA 8. However, the CFT, KCD, and regional grant sources were established to fund broader missions and their recent emphasis on salmon projects may be fleeting as other pent-up needs surface and win political support. Short-term actions at the WRIA-level should include efforts to improve the dependability of interlocal or regional funding, either through existing or new sources.

Substantial additions or changes to the funding options available to the WRIA 8 partners may require a trip to the state legislature for new or broader authority. With many other local jurisdictions around Puget Sound and throughout the state in similar circumstances, it may be possible to develop a political coalition behind a new salmon or watershed authority for salmon funding. Some alternatives for regional fundraising are

addressed in the appendix to this document. The Regional Needs Assessment analysis of funding authorities, conducted in the late 1990's, should also be consulted for funding options.

Specific actions for... may include:

- Identifying the specific funding responsibilities of local governments in implementation of the recovery plan;
- Evaluating options for providing funding through existing and potential sources at an interlocal or regional scale;
- If needed, develop a coalition of local governments in support of new local-option funding authority for salmon projects and programs.

Evaluating cost-effectiveness

As the plan nears completion and decisions are needed on which recommendations to fund and how to phase the actions, a more systematic approach to evaluate the cost-effectiveness of recommended actions may be needed. This approach would need to account for capital projects such as habitat restoration and non-capital priorities such as monitoring. An analysis of cost-effectiveness could help WRIA 8 leaders communicate that federal, state, and local government money is being spent in an efficient and cost-effective way, a critical concern for a strategy that will rely heavily on large, long-term commitments of taxpayer-supported public funding. Such analysis could be used in combination with information in the annual report describing implementation progress and effectiveness (see chapter 2) to convey a full picture of the value of investments made and contemplated.

Straightforward approaches to comparing the virtues and costs of an action are in wide use and it is likely that a model already exists that would meet the needs of the WRIA 8 partners without stretching the schedule or budget. One example might be to use the existing system of tiered priority actions from the WRIA plan as a simple indicator; i.e. making the assumption that a Tier One priority restoration project is more cost-effective than a similarly-priced Tier Two project. Cost-effectiveness could be particularly useful in out years as the initial enthusiasm for salmon recovery wanes and the hard work of annually budgeting for recovery needs remains.

Specific actions for... may include:

- Evaluating cost-effectiveness models that could be readily integrated into the planning and implementation process;
- Implementing the most promising model.

Options for regional fundraising in WRIA 8

(under development)